

ETHICS COMMISSION
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR

CHARLES W. TOTTO
EXECUTIVE DIRECTOR &
AND LEGAL COUNSEL

DATE: JUNE 19, 2015

TO: ALL CITY AGENCIES

FROM: KATY Y. CHEN, CHAIR, HONOLULU ETHICS COMMISSION

RE: GUIDELINES FOR CITY SUPPORT OF CREDIT UNIONS
WHOSE MEMBERSHIP INCLUDES CITY EMPLOYEES

The Ethics Commission issues these guidelines for the use of city resources in support of credit unions whose membership includes city employees (“Credit Unions”).

I. City resources may be used to educate new city employees of the benefits of Credit Unions whose membership includes City employees and their families.

RCH Sec. 11-104¹ prohibits the use of city resources for non-city purposes. A city purpose is something that is within the scope of a city employee’s duties. This scope of duties includes duties that are expressly or implicitly associated with the position. Advisory Opinion No. 2005-4 (finding that the publication of a book detailing transitions during an administration was a city purpose because informing the public as to city policies, programs and operations fell within the scope of the mayor’s duties); 2009-6 (finding that issuance of a rail transit brochure was within the mayor’s implied scope of duties to inform and educate the public about matters of public concern).

As such, the use of resources for a project that is not within the scope or duties expressly or implicitly associated with the city officer’s or employee’s duties would be in violation of RCH Sec. 11-104. Advisory Opinion No. 2005-4; 2009-6.

¹ RCH Sec. 11-104 provides:

Elected or appointed officers or employees shall not use their official positions to secure or grant special consideration, treatment, advantage, privilege or exemption to themselves or any person beyond that which is available to every other person.

Employees who work in the Benefits, Research, and Transactions Branch, Employment and Personnel Services Division, Department of Human Resources (“DHR Employees”) administer the benefits processing and initial payroll for new city employees. Administration of the benefits processing for new employees includes educating employees about the available benefits they are now eligible for by virtue of being a city employee.

New employees participate in a three hour “Benefits Processing Session” which includes education and instruction in regard to the following benefits including, but not limited to: prescription plans, deferred compensation, early retirement savings, employer union health benefits, flex benefits, payroll, and life insurance. The city uses certain providers for these benefits. For example, the city selected ING U.S. (nka VOYA Financial) through appropriate procurement procedures for administration of deferred compensation plans.

In addition to the above-described benefits, there are other benefits that city employees are eligible for including, but not limited to: earning 21 sick days and 21 vacation days per year; 13 holidays per year; attending city sponsored training programs, participating in employee assistance program, and using pre-tax benefits on transportation expenses. It is reasonable to include eligibility for membership of Credit Unions as another benefit of city employment.

Since educating city employees of Credit Union benefits are within the scope of DHR employees’ duties, this education is therefore a city purpose for which city resources may be used.

There is a longstanding practice for Credit Unions to attend a “Benefits Processing Session” or a “New Employee Orientation” session in order to educate new city employees of the benefits of joining their credit union.

The policy behind RCH Sec. 11-104 is to ensure fair and equal treatment. No City employee or officer can use their position to give preferential treatment to one person/entity that is not available to others. If all credit unions whose field of membership includes City employees are given a fair and equal opportunity (time, place, and manner) to address new City employees, then there is likely no violation of RCH Sec. 11-104.

II. City resources may not be used to subsequently advertise or promote Credit Unions.

Consistent with RCH Sec. 11-104, Administrative Manual Subject No. 120² expressly

² Administrative Directive Manual Subject No. 120 (eff. Dec. 31, 2007) provides:

The solicitation of personal business from employees, including contributions, unauthorized vending of all kinds, and the display or distribution of commercial advertising, in or on City facilities and grounds, is prohibited.

prohibits the solicitation of personal business including the display and distribution of commercial advertising in or on City facilities and grounds unless authorized by the Managing Director. As such, City resources may not be used to post Credit Union flyers, or distribute Credit Union calendars or other promotional material without proper authorization from the Managing Director. After the initial information and education about the benefits of Credit Union membership, Credit Unions must use their own means of communicating to members and/or prospective members.

Please note that this memo does not prohibit City employees from accepting promotional materials from the Credit Unions such as calendars. The Commission has provided guidance that allows City employees to accept promotional material of nominal value such as t-shirts and coffee mugs that displays a company's logo because "[a] reasonable person would not believe that a city employee could be influenced by these small gifts." Honolulu Ethics Commission Revised Guidelines on Gifts.³ Ethics Commission Revised Guidelines on Gifts (Apr. 21, 2004) at 5. This Guideline only limits the use of city resources for distribution of Credit Union promotional material to City employees.

III. Conclusion

In summary, DHR personnel have a duty to inform new city employees of the benefits of city employment. One of the benefits of city employment is eligibility for membership in a Credit Union. DHR personnel generally provides information about city benefits during a new employee orientation or a benefits processing session. There is no violation of RCH Sec. 11-104 so long as all Credit Unions are equally allowed the opportunity to address new city employees during these sessions. City resources may not be used for subsequent Credit Union advertisements unless authorized by the Managing Director.

If you have any questions, please contact the Commission office at (808)768-7786 or ethics@honolulu.gov.

This policy does not apply to national or local fund drives for welfare, health, and other purposes sponsored or approved by the managing director.

All requests for solicitations on City property by representatives of non-profit organizations shall be referred to the managing director's office for approval.

³ See also U.S. Office of Government Ethics Advisory Opinion 82x17 (examples of the types of gifts which agencies may allow include unsolicited advertising or promotional material such as pens, pencils, notepads, calendars and other items of nominal intrinsic value based on the materials' mass production, the intent of the donor to sell and distribute advertising, the neutral content of the listings, and the cost of production).

All City Agencies

June 19, 2015

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APPROVED:



MICHAEL A. LILLY, Vice Chair
Honolulu Ethics Commission

APPROVED FOR DISTRIBUTION:



ROY K. AMEMIYA
Managing Director